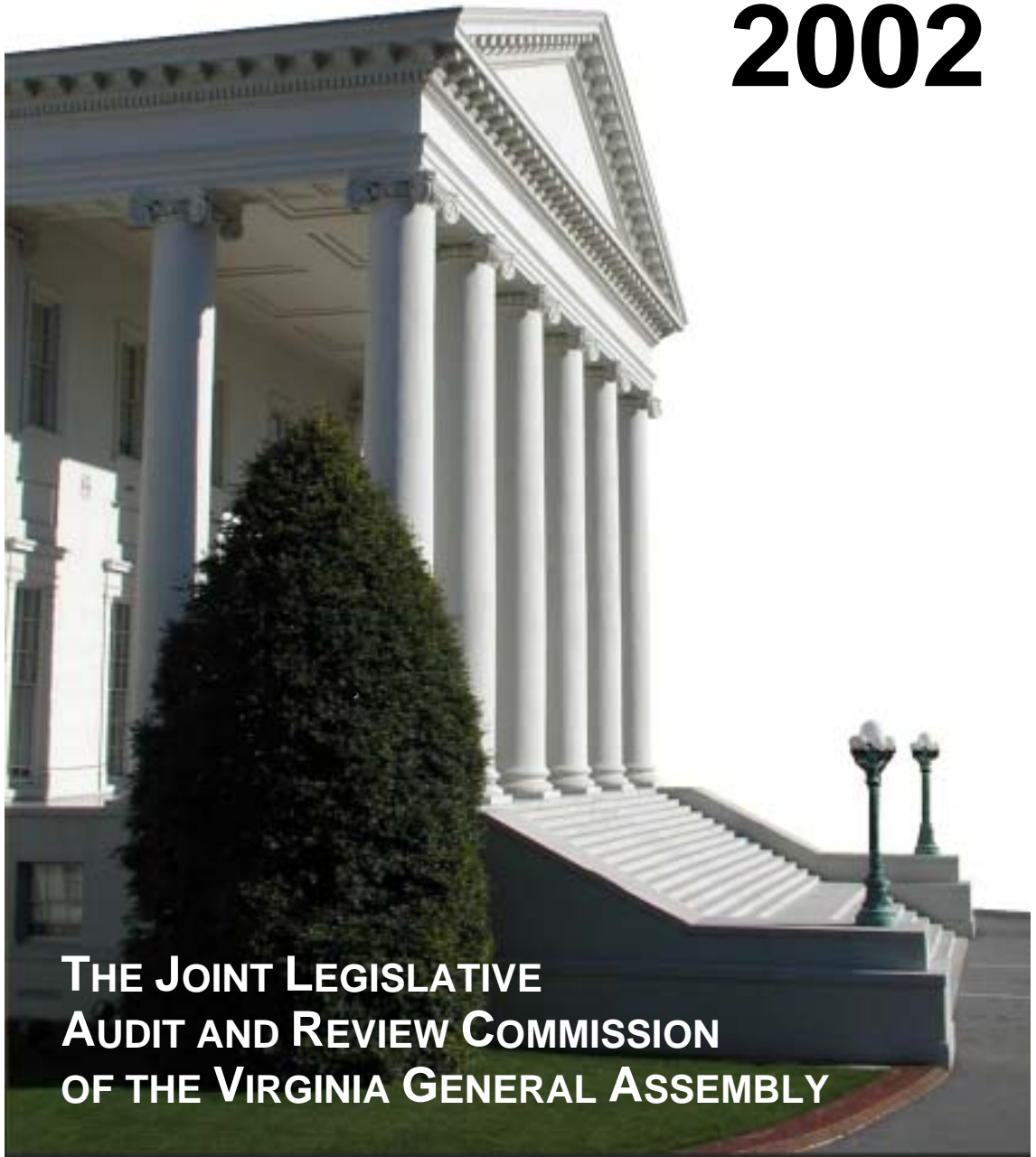


# **JLARC WORKPLAN 2002**



**THE JOINT LEGISLATIVE  
AUDIT AND REVIEW COMMISSION  
OF THE VIRGINIA GENERAL ASSEMBLY**

# **1. JLARC AND ITS WORK PLANNING PROCESS**

The Joint Legislative Audit and Review Commission (JLARC) is the oversight arm of the Virginia General Assembly. It was established by the legislature in 1973 to review and evaluate the operations and performance of State agencies and programs (§30-56 to §30-63 of the *Code of Virginia*). Since its establishment, JLARC's responsibilities have grown. These added responsibilities are reflected in the work planning process.

In 1978, the General Assembly expanded the JLARC oversight role by enacting the Legislative Program Review and Evaluation Act (§30-65 to §30-73). The Evaluation Act provides for the periodic review and evaluation of selected topics from among the seven budget functions of State government. It also establishes a process for involving House and Senate standing committees in the Commission's study activities. The authority of the Commission to conduct follow-up studies was clarified and formalized by the 1980 General Assembly (§30-58.2). In 1986, the Evaluation Act was amended to eliminate its sunset provision.

In 1994, the General Assembly passed the Virginia Retirement System Oversight Act (§§30-78 through 30-84). This Act designated JLARC as the legislative agency responsible for carrying out retirement system oversight. The Commission is required by this Act to make certain reports to the General Assembly regarding investments and the actuarial soundness of VRS trust funds. The Commission's retirement system oversight activities are guided by a subcommittee appointed by the Chairman.

JLARC also has statutory responsibility to review internal service fund accounts (§2.1-196.1) and to periodically review the codified exemptions and exclusions from the Administrative Process Act (§9-6.14:4.1G).

In 1999, language was added to the Appropriation Act (Item 16 K) to provide JLARC with additional funds to expand the technical support staff of JLARC "to assist with legislative fiscal impact analysis" and "to conduct oversight of the expenditure forecasting process." A Fiscal Analysis Section was established and staffed in 1999. Funding and language for the section were continued in the 2000-2002 Appropriation Act.

In 2001, two measures were passed that mandated JLARC to provide the General Assembly and the Governor with annual reports on State spending. These measures (HB 2865 and HJR 773) require JLARC to study State spending over the past two decades, identify the largest and fastest growing programs, analyze the causes of expenditure growth, and assess various means of

addressing growth in State government. This function is explained more fully in Section 5 of this workplan, which describes Fiscal Analysis Section activities.

The evolution of JLARC's statutory mandates have resulted in a growing set of responsibilities that require both a structured and a flexible work planning process. This document reflects Commission and staff judgment on a feasible schedule of work for 2002.

### **How the JLARC Planning Process Works**

The work planning process is a modified management-by-objective system adapted to serve a small, research-oriented organization like JLARC. The process can be subdivided into three basic steps -- plan preparation and approval, plan control, and plan evaluation.

***Plan Preparation and Approval.*** The JLARC biennial budget and topic selection processes are the foundation for annual workplan preparation. The plan is prepared annually by the Director and the deputy director. Research topics are developed and approved annually by the Commission and the General Assembly. Plan preparation begins after topics have been selected, usually near the end of the legislative session.

The workplan establishes a general framework for defining agency goals and objectives, work activities, a project timetable, and staff assignments for the current year. While there can be substantial overlap in JLARC's work areas, objectives and activities are presented for the ten separate program areas within this plan:

- *Research Plan and Priorities* -- a brief summary of research activities expected during the year including target dates for project completion.
- *Virginia Retirement System Oversight* -- a discussion of the continuing oversight activities and research projects for 2002.
- *Fiscal Analysis Section* -- a discussion of activities of the fiscal analysis section, including expenditure forecasting, fiscal note reviews, and an annual report on State spending trends.
- *Internal Service Funds and Other Ongoing Oversight Activities* -- a discussion of JLARC's responsibilities regarding internal service funds and other areas.

- *Division Management* -- a discussion of work activities carried out within each JLARC research division.
- *Research Methods* -- a listing of work activities to be carried out by the staff methodologist.
- *Information Systems* -- the computer support activities to be managed by the computer resource analyst or other relevant staff.
- *Publications* -- a summary of work activities planned by the publications analyst.
- *Business Management and Office Services* -- an outline of administrative and office services activities.
- *Training and Development* -- a discussion of staff training and development planned for the year.

The plan guides work activities during the year. It is used as a basis for communication among the project leaders, the division chiefs, the business manager, the staff methodologist, the publications manager, the deputy director, and the Director. It is also used as an aid in project management and problem identification. The plan may be periodically revised to reflect changes in organizational priorities and needs.

***Plan Control.*** The annual workplan is submitted to the Commission for its review and approval, generally in May of each year. Agency and project managers are provided periodically with information about project scheduling and achievements. Mechanisms for conveying this information include project workplans, weekly planning meetings, monthly planning and project status reports, and personnel time allocation reports.

Weekly planning meetings are held most Monday mornings and feature informal reports on the status of projects and activities. These meetings are used to coordinate activities and to set priorities for administrative support during the week. The staff leadership team -- which consists of the Director, deputy director, division chiefs, business manager, and managers of the publications and methods sections -- outlines a plan of work for the period preceding each Commission meeting. Following most Commission meetings, the Director calls a meeting of the entire staff. At these staff meetings, the Commission meeting is reviewed, plans for ongoing projects are discussed, and items of general interest to the staff are raised.

Periodic meetings may also be held with project leaders and the leadership team. These meetings are a vehicle for keeping key staff members involved in and informed of important items of organizational and project interest. Communication of plan, project, and other work responsibilities is also accomplished by the preparation of project-specific planning documents and overall organizational directives such as the *Research Guide* and *Administrative Manual*.

The leadership team periodically reviews status reports on each of the ongoing research projects. Status reports include such information as the completion date, work phases completed, work accomplished since the last reporting period, and significant report findings. The workplan may be revised from time to time to reflect changes in project scope, status, and priorities.

Time allocation forms are prepared by staff on a weekly basis. These forms are used to track individual and project time and to prepare periodic cost allocation reports when needed.

***Plan Evaluation.*** Four types of outcomes can serve as performance indicators to evaluate the accomplishments of the JLARC workplan:

- *Products* -- studies and reviews produced and reported.
- *Completion of Other Scheduled Activities* -- the extent to which work activities, such as training, management, and administration, are effectively completed.
- *Legislative/Executive Utilization* -- (a) the extent to which JLARC reports provide useful information to the General Assembly and executive agencies, (b) the extent to which the legislature and executive agencies implement JLARC recommendations, (c) potential for cost savings accruing to the Commonwealth, and (d) potential for improvements in agency operations and service delivery.
- *Legislative Feedback* -- the extent to which the Commission members, members of the General Assembly, and leadership indicate utilization of the research products and information.

JLARC accomplishments are assessed by follow-up of completed studies and reported biennially in the *Report to the General Assembly*. The last such report was prepared in October of 2001.

## **Evaluation Act Planning and Scheduling**

Under the provisions of the Legislative Program Review and Evaluation Act (§30-65 to §30-73), the Commission periodically selects and schedules functional areas of State government for systematic review and evaluation. In September, October, and November of 2000, a JLARC Topic Selection Subcommittee met under the provisions of the Evaluation Act and JLARC's general enabling statutes. As a result of these meetings, the Subcommittee proposed and the full Commission approved in November 2000 several new areas for staff review. These areas included:

- An expansion of the ongoing JLARC transportation studies to include a comprehensive review of the maintenance program and the equity and efficiency of highway funding. (Studies completed in 2001.)
- A study of the use of indigents in research at the State's three teaching hospitals. (Study completed in 2001.)
- A review of capital punishment in the Commonwealth, focusing on prosecutorial discretion and the appellate review process. (Study completed in 2001.)
- A review of information systems development. This study will focus on problems incurred in procuring new information systems for the Commonwealth. (Study underway; to be completed in 2002.)
- A review of workforce training. (Study underway; to be completed in 2002.)
- A review of gubernatorial authority to establish agency head separation packages. (Study completed in 2001; study follow-up directed for 2002.)

These studies, along with other work approved by the Commission and the General Assembly, are discussed more fully in Section 3, Research Plan and Priorities.

## **2. JLARC GOAL, STRATEGY, AND PERFORMANCE INDICATORS**

The JLARC organizational goal and the strategy for implementing it are as follows:

### **Goal**

Ensure that the legislature has a viable and rigorous oversight capability, that the legislature is informed about program operations, that legislative intent is fulfilled by agencies, and that State programs are carried out in an efficient, effective, and economical manner. Specific management and performance objectives include the efficient and effective implementation of the nine program areas detailed elsewhere in this plan.

### **Strategy**

Conduct research, including agency visits and interviews, other appropriate field work, surveys, literature reviews, hearings, and statistical analyses, to produce documents, reports, and briefings which are presented to the Commission, General Assembly, and Governor for review and consideration.

### **Performance Indicators**

Evaluate the accomplishment of JLARC organizational goals and objectives through the use of performance indicators. Achievement of JLARC's goal and strategy is assessed by evaluating the accomplishment of planned activities in the program areas detailed in this plan.

### **3. RESEARCH PLAN AND PRIORITIES**

This segment of the workplan establishes the research plan for 2002. Specific objectives of the research plan are:

- Prepare special studies, reports, and research as requested by the General Assembly or as directed by the Commission.
- Carry out evaluations of selected programs and agencies that are approved for study under the Evaluation Act and the Virginia Retirement System Oversight Act.
- Maintain legislative control of internal service funds, ensuring fund managers have flexibility to operate efficiently and effectively.

Brief summaries of projects scheduled during 2002 are outlined in this section and sections 4, 5, and 6. Research priorities for 2002 are as follows:

#### ***PROJECTS TO BE CONCLUDED, CONTINUED, OR INITIATED DURING 2002***

Review of Gubernatorial Separation Authority  
Update: Spending Growth in State Government: (Section 5)  
Review of Virginia's Workforce Training Programs  
Review of the Implementation of the Chesapeake Bay Preservation Act  
Review of the Virginia Birth-Related Neurological Injury Compensation Program  
The Future of the Chesapeake Bay Bridge-Tunnel  
Review of Information Systems Development in State Government  
Best Practices for the Support Services of School Divisions (Interim Report)  
Technical Support: Implementation of JLARC's VDOT Recommendations  
Staff Support: HJR No. 159 Study  
State Funding Formula for Educational Technology (Interim Report)  
Ongoing Virginia Retirement System Studies (Section 4)  
Ongoing Reviews of General Fund Expenditure Forecasts (Section 5)  
Ongoing Internal Service Fund Reviews (Section 6)  
Ongoing Inmate Forecast Oversight (Section 6)  
Ongoing Debt Capacity Oversight (Section 6)  
Ongoing Review of DPB Performance Measures (Section 6)  
Periodic Reports of the Fiscal Analysis Section (Section 5)



### **Review of Gubernatorial Separation Authority**

(Planning date for briefing: June 2002)

In November 2000, JLARC approved a recommendation by the JLARC Topic Selection Subcommittee to examine gubernatorial authority to establish agency head separation packages. Agency heads appointed by the Governor are not subject to the Virginia Personnel Act and are consequently ineligible for severance packages that are available for classified State employees. JLARC staff reported to the Commission on this issue in June of 2001. At that time, the Commission directed staff to monitor separation packages and report on all packages through the end of the Governor's term.

### **Review of Virginia's Workforce Training Programs**

(Planning date for briefing interim report: July 2002)

(Planning date for briefing final report: November 2002)

In November 2000, the Commission directed JLARC staff to examine whether the proliferation of workforce training services has diluted the State's training efforts. This study was one of seven that the JLARC topic selection subcommittee requested in 2000. In addition, item 130 #7c of the 2002-2004 Appropriation Act requests that JLARC review the administration of the Workforce Investment Act (WIA) by the Virginia Employment Commission and examine whether the administration would be improved by transferring that responsibility to another State agency.

The study team will address these issues by first identifying the host of workforce training programs operating in Virginia. In an interim report to be briefed to the Commission in July of 2002, the team will provide an explanation of the statewide workforce training programs and the funding for those programs.

The remaining issues will be addressed by systematically reviewing both the State administration of the WIA funding and the local administration of workforce training programs through the local workforce investment boards and one-stops. In a final report to be briefed to the Commission in November 2002, the study team will recommend whether the efficiency of the WIA system would be improved if the administration was transferred to an agency other than the Virginia Employment Commission.

### **Review of the Implementation of the Chesapeake Bay Preservation Act**

(Planning date for briefing: October 2002)

House Joint Resolution No. 622 from the 2001 General Assembly requests that JLARC review the implementation of the Chesapeake Bay Preservation Act (Bay Act). The intent of the Bay Act is to protect and improve the water quality of the Chesapeake Bay through increased land use planning and development practices at the local level. The State is responsible for

oversight of the local programs and providing the localities with financial and technical resources to support the Bay Act implementation.

The study mandate indicates that the JLARC study should include: “(i) an examination of the methodologies and the practices used by the Board [the Chesapeake Bay Local Assistance Board] in assessing local compliance and in exercising its enforcement authority; (ii) a performance audit of local implementation and local enforcement of ordinances and practices adopted to comply with the Act...; (iii) a review of the frequency, consistency, and rationales for local exceptions, variances, or similar decisions; and (iv) an assessment of the current resources, both personnel and financial, necessary for state and local implementation and enforcement of the Act, its regulations, and its local programs.” Research activities to address these issues include interviews, reviews of files and documents maintained by local governments related to the Bay Act, surveys, and monitoring of selected meetings regarding Bay issues.

The resolution also requests that the Chesapeake Bay Local Assistance Department (CBLAD) submit to JLARC an assessment of the issues that surround the possible extension of the Bay Act to the localities in the Chesapeake Bay watershed not already subject to the Act’s provisions. The JLARC report will include an evaluation of CBLAD’s assessment of these issues.

### **Review of the Virginia Birth-Related Neurological Injury Compensation Program**

(Planning date for briefing: November 2002)

In January 2002, the Commission directed staff to conduct a study of the Virginia Birth-Related Neurological Injury Compensation Program. This program was established in 1987 in response to a medical malpractice insurance crisis among the Commonwealth’s obstetricians. The program provides an alternative to the tort system for compensating infants who are severely injured at birth. This review will examine the effectiveness and viability of the birth injury program. Specifically, it will identify the impact of the program on the parties involved – birth-injured children, physicians, hospitals, and insurance companies. In addition, the study will assess the program’s administrative and financial structure.

### **The Future of the Chesapeake Bay Bridge-Tunnel**

(Planning date for briefing: November 2002)

HJR 210 (2002) directs JLARC to conduct a review of the future of the Chesapeake Bay Bridge-Tunnel (CBBT). The resolution specifically directs staff to evaluate: (1) the appropriate role for the CBBT in the economic growth and development of the Eastern Shore and the Commonwealth; (2) the appropriate toll structure to ensure proper maintenance, sustain operations, meet debt

obligations, and plan for capital improvements; and (3) the efficiency and efficacy of CBBT policies, practices, and operations. The study will include a review of procurement, hiring, salary scales, police staffing, and other management issues. The study is to be completed no later than November 2002.

### **Review of Information Systems Development in State Government**

(Planning date for briefing: December 2002)

In November 2000, the Commission directed staff to complete a review of the development of automated systems by State agencies. Recent failures of several major systems development projects prompted concerns about the current processes used by agencies to procure and develop these major automated systems. This study will examine the systems development approaches used by agencies, availability of resources to support development efforts, oversight and accountability for systems development in agencies, and the identification and use of best practices. The study will include a review of the use of private contractors for systems development projects.

### **Best Practices for the Support Services of School Divisions**

(Planning date for briefing interim report: December 2002)

House Joint Resolution 34 of the 2002 General Assembly session directs JLARC to examine best administrative, fiscal, and service practices in the Commonwealth's public school divisions. It also directs JLARC: (1) to identify programs and services that might be consolidated, are not achieving their intended purpose, or for which the mission is no longer relevant or discernable; (2) to identify those services that might be effectively outsourced (such as transportation, maintenance, and food service); and (3) to develop recommendations regarding revenue-saving initiatives and practices. This study will be conducted in two phases. The first phase, which will be conducted for the interim report this year, will focus on identifying potential best practices. Research activities will include literature reviews, interviews, and seeking best practice ideas from school divisions. The second phase, which will be reported next year, will focus on analyzing the best practices as they can apply to Virginia's school divisions. Issues regarding program and service consolidation, outsourcing, and revenue-saving initiatives and practices will be addressed in this second phase.

### **State Funding Formula for Educational Technology**

(Planned date for briefing interim report: December 2002)

Senate Joint Resolution 87 of the 2002 General Assembly session directs JLARC to examine how a state funding formula can include educational technology and technology support personnel. This study will review the following areas and present options for the inclusion of these areas in a state funding formula: (i) technology-related staffing, both support and instructional, (ii)

technology-related training for instructional staff, and (iii) technology replacement costs and technology-related facilities needs. As requested by SJR 87, the study will also assess ways to enhance the use of federal and private sector assistance for educational technology. The final report will be presented in the Spring of 2003.

**Technical Support: Implementation of JLARC's VDOT Recommendations**

(Planning dates: As directed or required)

In 2001, JLARC completed studies of the adequacy and funding of VDOT's maintenance program and the equity and efficiency of highway construction and transit funding. House Joint Resolution No. 211 of the 2002 Session establishes a joint subcommittee to study the recommendations and directs JLARC to provide technical Assistance.

**Virginia Boards, Commissions, Councils (HJR No. 159): Staff Support**

(Planning dates: As directed or required)

House Joint Resolution No. 159 of the 2002 Session establishes a joint subcommittee to study the operations, practices, duties, and funding of the Commonwealth's boards, commissions, councils and other governmental entities in the legislative and executive branches. JLARC is directed to provide staff support. (In addition, the JLARC Fiscal Analysis Section will examine some of the areas included in HJR No. 159 as a component of other mandated study activities.)

## SUMMARY

### PLANNED 2002 JLARC PROJECT SCHEDULE

<u>Project</u>	<u>Tentative 2002 Commission Briefing Date</u>
2002 JLARC Workplan	May
2002 Auditor of Public Accounts Workplan	May
Impact of 2001 JLARC Studies Report	May
Review of Gubernatorial Separation Authority	June
Review of Spending Growth in State Government: Update	June
Internal Service Funds Requests	June
State Police Briefing	June
Workforce Training (Status Report)	July
Virginia Retirement System Oversight Reports	July
Commission Topic Selection for 2003	September
Chesapeake Bay Preservation Act	October
Birth-Related Injury Fund	November
Spending Growth in State Government: Annual Report	November
Chesapeake Bay Bridge-Tunnel	November
Workforce Training Final Report	November
Information Systems Development Final Report	December
Education Technology Formula Interim Report	December
Education Best Practices Interim Report	December
Technical Support: Implementation of JLARC's VDOT Recommendations	As Directed
Staff Support: HJR No. 159 Study	As Directed
Virginia Retirement System – Statutory Oversight	Ongoing
Reviews of General Fund Expenditure Forecasts	Ongoing
Internal Service Fund Reviews	Ongoing
Debt Capacity Oversight	Ongoing
Inmate Forecast Oversight	Ongoing
Review of Performance Measures	Ongoing
Reports of the Fiscal Analysis Section	Ongoing

#### **4. VIRGINIA RETIREMENT SYSTEM OVERSIGHT**

The Virginia Retirement System Oversight Act of 1994 authorizes JLARC's oversight function of the Virginia Retirement System (VRS) (§§ 30-78 through 30-84 of the *Code of Virginia*). The Act directs JLARC to oversee and evaluate the Virginia Retirement System on a continuing basis and as directed by the General Assembly.

The objectives of retirement system oversight are:

- Provide timely, accurate information about the retirement system to the General Assembly.
- Assess the appropriateness of the structure of governance for the retirement system and recommend modifications to the structure as necessary.
- Evaluate on a periodic basis the soundness of the retirement system trust funds.
- Evaluate the performance of the VRS investment program and report to the General Assembly on any significant changes in the investment program.
- Evaluate the efficiency and effectiveness of VRS administration and operations.

To implement the retirement system oversight function, the following research activities are planned for 2002.

#### **CONTINUING OVERSIGHT ACTIVITIES**

##### **Attend Monthly Meetings of the Board of Trustees and Committees** (Ongoing)

JLARC staff will continue to attend the monthly meetings of the VRS Board of Trustees and the Investment Advisory Committee. Staff may also periodically attend meetings of the following committees of the VRS Board of Trustees: administration and personnel, benefits and actuarial, audit, and optional retirement plan.

### **Semi-Annual Investment Report**

(Planning date for briefings: summer 2002 and winter 2002)

JLARC staff will continue to monitor and review the VRS investment program. The focus of the review will remain on investment policy and asset allocation, as well as investment performance and risk management. JLARC staff will obtain detailed information concerning these areas through regular attendance at meetings of the VRS Investment Advisory Committee and the VRS Board of Trustees, structured interviews with VRS investment staff, reviews of VRS documents, reviews of documents of other public employee retirement systems, and analysis of secondary sources of investment data.

### **Revision of the Legislator's Guide to the Virginia Retirement System**

(Planning date for publication: July 2002)

The Retirement Oversight Act requires JLARC to publish a Legislator's Guide to the retirement system. The third edition of the Guide will be produced in 2002 with the assistance of the staff of the Virginia Retirement System. The updated document will be revised to reflect changes in benefit programs since publication of the second edition. For the first time, the Guide will be published in an on-line format. By automating the Guide, labor and other costs associated with producing hard copies will be reduced. In addition, automation will provide interested parties with convenient access to the Guide and allow for links to web sites containing legislation, *Code of Virginia* references, and other information. Finally, as a web-based document, updates to the Guide to reflect legislative and other policy and procedure changes will be accomplished more easily.

### **Biennial Status Report**

(Planning date for publication: July 2002)

Section 30-81 of the *Code of Virginia* also requires JLARC to prepare a biennial status report on issues related to the VRS. Issues for this year's report will reflect recent changes in benefit programs and long-term investment performance. The status report will be completed in July of 2002.

## **5. FISCAL ANALYSIS SECTION**

The Fiscal Analysis Section (FAS) was established in 1999 to assist with legislative fiscal impact analysis and to conduct oversight of the executive branch expenditure forecasting process. The section consists of a section manager, a fiscal analyst, and a fiscal economist. Additional JLARC staff provide support as needed.

During the General Assembly Session, the section focuses on reviewing executive branch fiscal impact statements that are referred to JLARC by committee chairmen and co-chairmen. The results of the staff reviews are published in Fiscal Impact Review reports. During the first three legislative sessions, the FAS produced 37 Fiscal Impact Reviews. In addition to reviewing fiscal impact statements, the FAS is available to respond to *ad hoc* requests by General Assembly members and other legislative staff, as determined by the JLARC Chairman or Director.

Throughout the remainder of the year, the section provides oversight of the forecasts that are key to major State programs, including Medicaid, corrections, primary and secondary education, and higher education. The section has also been assigned responsibility for conducting the annual review of State budget growth, required under HB 2865 from the 2001 General Assembly (now §30-58.3 of the *Code of Virginia*). Staff may also provide support to other JLARC projects and reviews.

### **Goals and Objectives**

Among the goals and objectives of the FAS is to ensure that the General Assembly has reliable technical support in the areas of legislative fiscal analysis and expenditure forecasting in order to make informed public policy decisions. Other goals and objectives include the following:

- Conduct timely reviews of the fiscal effects of legislation upon request of committee chairmen and co-chairmen.
- Evaluate the performance of key executive branch forecasts and their relationship to the Commonwealth's biennial budget, and provide information about these forecasts to the General Assembly.
- Conduct annual assessments of State expenditure growth, as required by HB 2865 from the 2001 General Assembly.



- Assess the use of performance measurement, performance budgeting, and the use of State funds by private organizations, as required by HJR 773.
- Provide staff support to the joint subcommittee appointed in response to HJR 159 from the 2002 General Assembly. This resolution directs a review of boards, commissions, agencies, and other State entities.

To achieve its goals and objectives, the Fiscal Analysis Section will complete the following activities in 2002:

### **Review of State Spending Growth: FY 2001 Update**

(Planning date for report: June 2002)

The JLARC Fiscal Analysis Section will continue its review of State spending, called for by the 2001 General Assembly in HB 2865 and HJR 773. The June report will update the December 2001 report by including expenditures from FY 2001 and examining the causes of expenditure growth from FY 1981 through FY 2001. The June report will also identify the largest and fastest growing programs and compare the growth to indicators of economic activity (such as inflation) and other factors.

### **Review of State Spending Growth**

(Planning date for report: November 2002)

The November report will examine the potential for consolidating State programs and examine spending trends in Virginia's colleges and universities. This report will also expand the series of agency profiles, begun in the December 2001 Spending Study report. These profiles provide a more detailed explanation of budget growth in the largest State agencies.

### **Monitoring Expenditure Forecasts**

(Ongoing)

In 2000 and 2001, the Fiscal Analysis Section presented the Commission with an overview of the forecasting methods and procedures used in developing four major "budget driver" forecasts. These four included elementary and secondary education average daily membership (school attendance), higher education enrollment projections, Medicaid expenditures, and the State-responsible felon population. The review found that three of the four forecasts are strongly linked to the State budget (the exception was higher education), and that the four forecasts used to prepare the FY 1999 budget were relatively

accurate. The section will continue to review these expenditure forecasts on a regular basis.

### **Support to Other JLARC Projects**

(Ongoing)

Throughout 2002, the Fiscal Analysis Section will provide support to a variety of JLARC projects and reviews. In particular, the section will provide support to JLARC's review of funding formula options for educational technology and the study of the Chesapeake Bay Bridge-Tunnel. Section staff will also provide support to other projects and to the Research Methods Section on an as-needed basis.

## **6. INTERNAL SERVICE FUNDS AND OTHER ONGOING OVERSIGHT ACTIVITIES**

### **Internal Service Funds**

Internal service funds are monitored by JLARC on a continuing basis. The Commission reviews the status of fund accounts and evaluates requests to change the nature and scope of the services provided or the customers served. The Commission also approves in advance the rates employed by fund managers for billing customer agencies. Eleven internal service funds are now monitored by JLARC:

1. The Virginia Distribution Center (Department of General Services) stores and distributes various goods such as canned foods, paints, paper products, and cleaning supplies to State agencies, local governments, and school divisions.
2. The Office of Graphic Communications (Department of General Services) provides graphic design, layout, photography, and typesetting services to State agencies.
3. The Maintenance and Repair Program (Department of General Services) implements the rental plan or special maintenance agreements between DGS and entities whose office space is located at the seat of government.
4. The State Surplus Property Operation (Department of General Services) manages and disposes of surplus property for State agencies and institutions.
5. The Federal Surplus Property Operation (Department of General Services) acquires and distributes federal surplus property.
6. The Consolidated Laboratory Services (Department of General Services) account for laboratory analyses provided for the Department of Environmental Quality and the Department of Agriculture and Consumer Services; for the testing of motor fuels for the Virginia Department of Transportation; and the testing of drinking water samples for public water works.
7. The Real Property Program (Department of General Services) manages transactions involving the sale of State-owned real property.

8. The Division of Fleet Management (Department of General Services) operates the State's car pool and manages the fleet of passenger vehicles.
9. The Computer Services Division (Department of Information Technology) provides data processing services to State agencies.
10. The Systems Development Section (Department of Information Technology) provides automated systems design, development, and maintenance services to State agencies.
11. The Telecommunications Division (Department of Information Technology) provides telephone and data transmission services to State agencies.

During 2002, the Commission will consider and act on rate changes requested by the internal service fund managers.

#### **Inmate Forecast Technical Committee**

Legislation passed during the 1995 Session (HB 2584) requires the development of a prison population forecast based on a consensus forecasting process. The Act provides for the establishment of a technical forecast group comprised of representatives from the Department of Corrections, the Department of Criminal Justice Services, the Virginia Criminal Sentencing Commission, the Joint Legislative Audit and Review Commission, and such experts as shall be appointed by the Secretary of Public Safety from the fields of criminal justice, population forecasting, or other appropriate field of study as may be deemed necessary. The Secretary of Public Safety acts as chairman of the technical advisory group. The staff methodologist represents JLARC in reviewing the development of forecast methodologies and alternative forecasts of the State's prison and jail populations.

#### **Debt Capacity Advisory Committee**

The JLARC Director is a member of the Debt Capacity Advisory Committee created by the 1994 General Assembly. The Committee is required to review the size and condition of the Commonwealth's tax-supported debt and submit to the Governor and General Assembly an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next biennium. If necessary, the Director submits an informational memorandum to the chairs of the money committees.

## **Review of Performance Measures**

Since 1990, the Department of Planning and Budget (DPB) has been developing performance measures for use by Virginia State agencies. The General Assembly has encouraged this effort since the 1992 Appropriation Act mandated a pilot performance measures program. DPB has submitted draft measures to JLARC staff for review and comment. The 2000 Appropriation Act provided that JLARC review and comment on DPB's development of performance measures. HJR 773 of the 2001 Session also requires that JLARC assess the use of performance budgeting, measurement, and program evaluation in legislative budgeting.

## **7. DIVISION MANAGEMENT PROGRAM**

Research projects are usually assigned to one of two research divisions, each headed by a division chief. Normally, one or more projects will also be assigned to the deputy director, who will carry out the functions of a division chief for those projects. The purpose of division management is to ensure quality products by supporting and monitoring the research and reporting activities of project teams. Division chiefs are responsible for maintaining organizational standards, adherence to deadlines, effective communication, and overall coordination of specific research tasks for each project assigned to the division. Major division chief activities include providing conceptual and research support, evaluating personnel, reviewing products, coordinating organizational resources, substantively editing reports, and carrying out project research and leadership roles when necessary.

The division chiefs accomplish overall goals through a series of objectives and work activities.

### **Goals and Objectives**

- Produce high-quality reports that meet legislative needs for information.
- Promote the development of highly skilled and productive research teams.
- Manage projects to achieve reasonable consistency with work plans, deadlines, and staff resources.
- Support staff development through clearly established objectives, performance evaluation, and training.
- Provide input to the Director on broad organizational issues, and participate in organizational planning.
- Promote clear and accurate communication throughout JLARC for project and personnel management purposes.
- Serve as an effective liaison with legislative committees and subcommittees formed under the Legislative Program Review and Evaluation Act or established for specific projects.

- Provide support to research teams on identifying issues and developing project scope and research workplans.
- Develop and implement a framework for periodic monitoring of team products, processes, and documentation.
- Ensure that teams appropriately secure organizational support in research methods, data processing, and report production.
- Advise teams on effective written and oral presentation of research findings and conclusions.
- Edit reports and briefings, as needed, for substance and style to ensure accurate, clear, and appropriate presentation to various audiences.
- Ensure that legislative committees receive appropriate information and logistical support.
- As necessary, provide project leadership in lieu of team leaders who depart or are otherwise unable to successfully bring a project to closure.

### **Work Activities**

Coordination and management of assigned research staff and projects are the fundamental activities of the divisions. The division chiefs advise their respective teams and monitor products throughout the research and report development process. They also participate in organizational planning, extended project reviews, staff development, and project follow-up activities.

***Project Management.*** Each division chief meets regularly with team leaders and team members for purposes that include concept development, assessment of research and reporting processes and products, and status monitoring. Projects are periodically discussed with the Director.

***Extended Review.*** The extended review process subjects major research products to the rigorous scrutiny of the Director, deputy director, both division chiefs, the staff methodologist, and the publications analyst. The reviews routinely occur at four stages of the research process: (1) pre-scope, (2) scope, (3) workplan, and (4) pre-exposure. At each stage, products are examined for sufficiency of evidence, soundness of conceptualization and recommendations, and clarity of presentation.

***Staff Development.*** Division chiefs participate in the performance appraisal of professional staff. They also provide formal and informal training and technical assistance, as needed, in aspects of project management, team building, research, and reporting.

***Legislative Liaison.*** Division chiefs provide coordination among related projects and serve as a point-of-contact for legislative committees involved with a functional area. As necessary, they facilitate arrangements, transfer information, and perform follow-up activities.



## 8. RESEARCH METHODS

The Research Methods Section supports teams in developing and carrying out sophisticated evaluations of State programs and agencies. The section members consult with project teams concerning individual project needs and train staff members in the use of research techniques.

The 2002 program establishes the objectives and activities for the coming year.

### **Goals and Objectives**

- Support the conceptualization, design, and implementation of research methods and techniques that produce rigorous and valid results for the General Assembly.
- Develop and implement training activities to enhance staff members' capability to conduct applied research.
- Provide timely advice to team members on research design, statistical methods, and data processing techniques to be used in the research process.
- Develop processes for providing technical assistance and consultation on JLARC studies.
- Provide technical assistance to the Fiscal Analysis Section.

### **Work Activities**

The Research Methods Section actively participates in team-based projects, training, and special projects.

***Team Support.*** The staff methodologist consults with project teams on a day-to-day basis by exploring alternative conceptualizations and designs for studies as well as assisting in implementation of the designs. In 2002, the staff methodologist will also provide a supporting role on the best educational practices and the education technology studies.

***Training.*** Training offers an opportunity to enhance the capability of analysts to conduct research. The staff methodologist assesses the need for methods training and works with the deputy director to develop appropriate

courses. Training activities can take several forms, including multiple-session training courses, workshops, individual tutorials, and informal discussion sessions.

***Extended Review.*** The staff methodologist serves as a member of the extended review team. In addition to a general review of team projects, the staff methodologist has a special responsibility for assessing the sufficiency of methods and analysis. The methodologist also verifies major analytic findings of reports.

***Research Guide.*** The staff methodologist works with the deputy director to update the JLARC *Research Guide*. The *Research Guide* is an evolving reference that is intended to operationally define, formalize, and enhance research activities at JLARC.

## **9. INFORMATION SYSTEMS SUPPORT**

Information systems support is provided by a number of resources within JLARC to assist teams in developing and carrying out increasingly more sophisticated analyses of State programs. Support activities have included consulting with project teams concerning individual project needs as well as training staff members in the use of computers. Information systems support also makes JLARC research products available to the public through maintenance of a World Wide Web site (<http://jlarc.state.va.us>) on the Internet and through periodic publication of a CD-ROM. Currently, most in-house information systems support is provided by the computer resources manager and the publications analyst. Other staff also support this function.

### **Goals and Objectives**

- Provide timely advice to team members on information processing techniques to be used in the research process.
- Provide technical assistance and consultation.
- Enhance the capacity for efficient use of all available information processing resources, including personal computers.
- Expand the availability and accessibility of computer resources used by the research staff.
- Provide JLARC research products to the public on the World Wide Web site and through periodic publication of a CD-ROM.

Maintenance of the World Wide Web site involves updating publications lists, adding new reports for downloading, and ensuring that other information is accurate. Other activities for 2002 include publication of new volumes of the JLARC report CD-ROM as additional publications are completed.

## **10. PUBLICATIONS AND GRAPHICS PROGRAM**

The purpose of the Publications and Graphics Section is to assist teams in the development of research reports and briefings, and to produce high-quality publications for use by the Legislature and executive agencies. The section manager and a part-time assistant carry out the responsibilities of this program area.

The section manager serves on the extended review team, provides appropriate staff consultation in report writing and editing, assists team members in conceiving and developing appropriate graphic materials for projects, creates draft and final graphics as necessary, supervises the publications assistant, oversees the preparation of camera-ready copy, oversees contract printing, maintains the section's desktop publishing and presentation hardware and software, coordinates and finalizes briefing presentations, designs special publications, responds to audiovisual and photographic needs of the staff, provides editorial support for the *VRS Oversight Report*, the *Legislators' Guide to the Virginia Retirement System*, and the JLARC website, and serves as project leader for the Commission's biennial *Report to the General Assembly*.

The publications assistant helps lay out and finalize reports for publication and works on special projects as assigned.

The publication program realizes its overall goals within JLARC through a series of objectives and work activities.

### **Goals and Objectives**

- Produce high-quality JLARC publications on a timely basis at a reasonable cost.
- Create high-quality informational graphics to enhance the communication of research findings in reports and briefings.
- Serve as a staff resource in the area of audio-visuals, including photography, sound and video recording, presentation technology, graphic information systems, and general communications.
- Work in a consultative capacity with team members, team leaders, and division chiefs on matters relating to the formatting, writing, editing, and use of graphics in research projects.

- Through self-training and systems development activities, maintain in-house, state-of-the-art desktop publishing and presentation systems to meet the organization's publications, presentation, and graphics needs.
- Contribute to the development of publishable research reports by participating in each report's extended organizational review (section manager only).
- Develop training programs such as workshops, style guides, and tutorials to increase the staff's skills in writing, presentations, computer software, and graphics.
- Continue to explore audio-visual and computer resources available for JLARC's use and their application in furthering training, professional development, graphics, presentation techniques, report production, and other appropriate areas.
- Take a lead role in special projects as required by the Director, including ongoing follow-up activities related to the biennial *Report to the General Assembly* (next edition due in the fall of 2003).

### **Work Activities**

Report production is the base of the publications section's responsibility. The section meets all of JLARC's needs for graphics and prepares all reports for printing. A variety of other activities related to JLARC's reporting responsibilities are also carried out by the publications section.

***Report Production.*** The publications section prepares all reports for printing as organizational products. The process is comprised of four main phases:

1. *Graphic and Editorial Consultation.* From the time the project is assigned until the report goes into extended review, the research team works directly with the publications section on the preparation of graphics for report drafts and the briefing. Team leaders may also consult with the section manager concerning matters of composition, format, and editing.
2. *Extended Review.* The section manager participates in every report's extended review process to raise concerns about organization, tone, format, effectiveness of the writing, general content, and graphics.

3. *Editing.* The publications edit of a report manuscript usually commences with the project team's completion of an exposure draft. The draft is reviewed for grammar, coherence, format, clarity of content, and stylistic consistency. Consultations are arranged as necessary with the project team members.
4. *Preparation for Printing.* After the team has received the agency responses and made necessary changes to the report, it is given a final review by the section manager. The graphics are finalized, and final format decisions are made. The manuscript is then made camera-ready for printing, reviewed by the team leader and division chief, and approved by the Director. The section manager coordinates with the Division of Legislative Automated Systems and the printer under State contract.

***Other Products and Responsibilities.*** Besides producing final reports, the publications section prepares other final informational products for the organization.

1. *Briefings.* Commission briefings in Senate Room A use a state-of-the-art digital projection system. The section manager manages and applies this technology according to the agency's needs, and provides training to analysts on its use. The section manager also coordinates, provides graphic support for, and acts as stage manager for the monthly staff briefings to the Commission
2. *VRS Oversight Materials.* JLARC's VRS oversight activities include regular publication of an oversight report, an informational guide for legislators, and other materials. The publications section works with the VRS oversight analyst in the production of these materials.
3. *General Communications.* The publications section frequently participates in the review and preparation of agency correspondence, award submissions, surveys, informational briefings about the agency, internal forms and documents, signage, etc.

***Publication Training Activities.*** The section manager, in consultation with the Director and deputy director, designs training activities to impart knowledge and improve skills of JLARC staff. Private writing tutorials are also arranged upon request. Training areas may include informational graphics, report development, presentation software, and graphic information systems.

***Special Priority for 2002.*** This year, the section manager is producing a series of special graphics for inclusion in a web-based version of the *Legislator's Guide to the Virginia Retirement System*. In addition, recent significant changes in the draft-to-final publications process may require staff training in the new process. The section manager will also assist in improving the publications storage area on the 12<sup>th</sup> floor, and will install in the graphics area needed upgrades to computer, photographic, and scanning equipment, as well as an updated contour map of Virginia for general staff use.

## **11. BUSINESS MANAGEMENT AND OFFICE SERVICES PROGRAM**

The Business Management and Office services section is responsible for the administrative and word processing functions of the office. It is under the general supervision of the deputy director. The business management function includes budgeting, fiscal, personnel and human resource activities, along with general administrative management of the office. The manager of fiscal and administrative services (business manager) oversees the daily operations of the section.

Specific goals, objectives, and work activities for the Business Management and Office Services Section are outlined below.

### **Goals and Objectives**

- Provide a responsive service function for the office's research mission.
- Execute the budget plan and monitor expenses and receipts for compliance. Monitor and control expenditures for the current year for appropriateness, accuracy, and timely processing.
- Administer the payroll, oversee the timely completion of evaluations, monitor various payroll deductions, and activate salary adjustments.
- Conduct all administrative preparation and follow-up for Commission meetings, including polling of members, duplicating and organizing documents, and drafting meeting minutes.
- Monitor and manage employee leave balances through the time allocation system.
- Monitor and control fixed assets and inventory.
- Coordinate human resources and personnel services for the office.
- Administer employee benefit programs and assist staff in their efforts to access current information.
- Maintain the JLARC *Administrative Manual* and inform staff of policy and procedural changes or developments.



- Carry out responsibilities as outlined in the records management policies and procedures, including maintenance of agency archives.
- Ensure that the research staff is provided with accurate and timely word processing and data entry support.
- Coordinate travel arrangements for research teams in the conduct of fieldwork.
- Assist in preparation for and orientation of new staff members.
- Organize legislative tracking activities.
- Coordinate parking for agency staff.
- Provide opportunities for the support staff to receive training and enhance their capabilities.
- Integrate office logistics and office activities.

### **Work Activities**

***Budgeting.*** Budgeting activities include establishing and monitoring the budget plan, and processing and controlling expenditures. The current budget year's expenditures will be monitored and controlled to ensure that prompt payment, reporting, and other established guidelines are met. Appropriate budget worksheets will be prepared to ensure expenditures are maintained within the budget limits.

***Payroll/Personnel.*** Required reconciliations will be completed and leave balances will be monitored to ensure accurate payment to employees and proper withholding. The preparation of personnel evaluations will be monitored to ensure timely completion and processing.

***Benefits.*** Many changes have evolved over the past several years with regard to employee benefits, particularly in the area of health care. In order to keep abreast of health care issues and to provide staff with accurate and current information, the section manager will continue to attend benefit administrator meetings. In addition, the section manager will provide information to and assist employees with flexible reimbursement accounts, optional life insurance, deferred compensation, and retirement benefits. Throughout the year, the section manager will also assist employees with updating or changing their health care memberships or plans when qualifying conditions occur. Major changes to and increased options in State employee health benefits will become

effective July 1, 2002. The section will assist with and inform employees about benefit changes related to the Virginia Sickness and Disability Program, Long-term Care, Optional Group Life, and VRS purchase of service. As benefits continue to change and evolve, the section manager will strive to distribute accurate and timely information as well as address staff questions.

***Records Management.*** The records manager, with the assistance of the administrative section, will carry out the responsibilities as outlined in the records management policy.

***Revision of Administrative Manual.*** The manager will distribute revisions on an ongoing basis. As a result of the recent conversion of the manual to a pdf format, making and distributing updates and changes to the manual has become a more timely and efficient process. The manual can be more easily updated to reflect changes in State policies and procedures. In addition, automation of the administrative manual has reduced labor and other costs associated with producing hard copies. The use of automation has also provided staff with convenient desktop access to the manual. By placing the *Administrative Manual* in a pdf format and on the desktop, staff can easily access links to web sites containing additional benefits information and other State and federal policies.

***Document Processing.*** There will be continued involvement with the research staff to promote a steady workflow of material through word processing and data entry assistance.

***Phone/Receptionist Services.*** The section will provide quality phone and receptionist coverage. A comprehensive schedule of phone/receptionist coverage will be prepared on a monthly basis.

***Special Activities During 2002.*** The section plans to continue its efforts to employ the use of automation and technology to improve access to benefits and other human resource information. To the extent possible, the administrative section plans to use web technology to increase access to information concerning State benefit programs and other State policies and procedures. In addition, the section will look at reducing the submission of “hard copy” forms. Instead, the section plans to utilize electronic means wherever feasible for the storage and transfer of data and information.

Senate Bill 120 passed by the 2002 General Assembly enrolls certain State employees into the Virginia Sickness and Disability Program (VSDP) unless such employees opt not to be enrolled. Those employees, who are not already participating in the program, will be automatically enrolled into the VSDP unless such persons provide written notice to VRS of their decision not to participate. In the fall, JLARC, in conjunction with other state agencies, will offer a special opt-out period for these employees.

## 12. TRAINING AND DEVELOPMENT PROGRAM

Work activities and project assignments in the training and development program are concerned with staff training and professional development. Personal professional development is largely the responsibility of the individual. Each staff member, in conjunction with his or her supervisor, should assess personal strengths and weaknesses. Action should be taken to build on strengths and address weaknesses. The individual can pursue self-directed study (such as a reading program or computer tutorials), training, university courses, or other options. The training program is coordinated by the deputy director. The program has multiple goals and objectives.

### **Goals and Objectives**

- Maintain an organizational training program that promotes the accomplishment of agency missions and goals.
- Orient new staff to JLARC processes and procedures.
- Provide staff with greater opportunity to grow and succeed within JLARC.
- Strengthen JLARC's approach to organizational and team management.
- Provide staff members with appropriate training and education to improve their work performance and to enhance their capacity for greater responsibility.
- Provide staff with training on presentational skills and techniques.

### **Training Program**

Staff training activities are designed to improve job performance. Job performance can be enhanced through meaningful learning experiences that impart knowledge, improve skills, or change attitudes.

***Needs Assessment.*** An ongoing assessment of training needs will be conducted for the research and administrative staffs. This assessment will be routinely addressed in leadership planning meetings. This assessment may include: consideration of staff requests for training, review of education and training courses already taken by staff, and review of performance reports.

***Training Activities.*** Based on organizational and individual needs, a training program is designed and implemented annually. This program contains appropriate training and education courses aimed at meeting JLARC's overall training and development needs. While the organization will attempt to provide sufficient opportunities for all staff to acquire the skills necessary for advancement, responsibility ultimately rests with the individual. Staff members should be proactive in identifying and addressing their own individual needs. Opportunities for training include:

- JLARC-conducted classes,
- ongoing JLARC tutorials,
- programs conducted by other State agencies,
- limited university tuition reimbursement for pre-approved coursework,
- consultant-conducted classes or programs at JLARC,
- outside seminars and training sessions, including continuing education and skills development classes at State universities and community colleges,
- self-directed reading programs, and
- others as requested and approved.

Training courses will be designed to strengthen staff research, managerial, technical, and human relations skills.

### **CommonHealth Schedule**

CommonHealth is the State of Virginia's Employee Health Improvement Program provided by the Department of Human Resource Management with JLARC staff serving as the agency coordinator. Several CommonHealth programs have been planned for 2002 with topics including: Safe Exercise for Lifetime Fitness, CPR & First Aid, Sleep and Stress Management, Stretching, and Cholesterol management. There will also be several challenges including: Taking Steps to Better Health, Healthy Heart, Stair Climbing, and the "Turkey Trot."

The 2002 schedule also includes a Medical Screening program in the Fall, where participants' cholesterol levels, blood pressure, heart rate, and behavioral

risk factors are assessed. Additionally, an Osteoporosis and Bone Density Screening will be available for all JLARC staff and their families. Other programs may be scheduled as they are made available through the CommonHealth program, and recurring programs – such as general health screenings, blood drives, and immunizations – may also be made available to JLARC staff.

## **2002 Training Program**

Specific activities for the 2002 training program are included in the schedule shown below. Other activities will be added as needed.

### **2002 TRAINING PROGRAM**

Health Care Benefits for 2002	DHRM, Bishop
Statistical Analysis System (SAS) Version 8	Tittermary
Library of Virginia Orientation	Library of Virginia Staff
NCSL Skills Development Seminar	Selected Staff
NCSL/NLPES Programs, Training	Selected Staff
Software training: intermediate and advanced - Access®, Excel®, and Word®	Local colleges and community colleges
Forecasting training	Fiscal analysis staff
Informational Graphics Workshop	Long
Geographic Information Systems Mapping	Selected Staff
Report Formatting Training	Long
Fixed Assets Accounting System training	State
Tracker training	Torrence
FINDS database Training	DOA and JTCC
Risk Management Conference	Division of Risk Management

#### **Ongoing**

CARS Training	Bishop, Jackson, Lambert
Individual training	As arranged
Software tutorials	Tittermary, DLAS
New employee orientation	Jonas, Staff
Writing and graphic tutorials	Long
CommonHealth activities	Powell
Financial management training	Bishop, Lambert
Retirement System Benefits Training	Bishop, Lambert
Benefits administration training	Bishop, Lambert
Payroll training	Bishop, Lambert